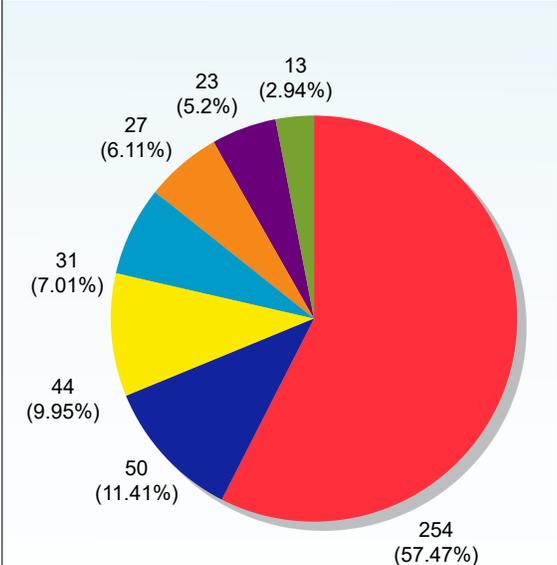


APPENDIX E

VACANCY EXCEPTIONAL ITEM REQUEST

REQUEST: \$72M for Targeted Salary Increases for FY24/25 (\$36,004,890 per FY)

442 Vacancies as of 9/21/2022



Occupational Categories

- Permitting, Regulatory Compliance, Investigation and Enforcement
- Business Support
- Program Management
- Administrative Support
- Information Technology
- Legal
- Other

PURPOSE:

- Bring 35 classifications with the highest vacancies, turnover, and salary lag up to a competitive salary (75th percentile pay group).
- Increase pay for remaining staff positions by up to 20% to be competitive with other state agencies and local governments.

REASON:

Texas has grown economically and in population. This growth places ever-increasing demands on Texas' natural resources and agency staff, compounding the **need to recruit and retain a highly qualified workforce.**

TCEQ's vacancies, turnover, and loss of expertise are not sustainable, and key staff shortages may delay economic development.

For example, the Underground Injection Control Section, which reviews and issues permits for new or existing injection wells, is operating with two Engineers (1 full time and 1 part-time) instead of four.

TCEQ has absorbed various programs and activities since 2011:

- Volkswagen Mitigation Trust
- Tier II chemical reporting and low-level radioactive waste disposal
- Storage Vessel Performance Standards
- Brazos Watermaster
- 1944 Treaty negotiations to ensure water deliveries to the Rio Grande
- New federal programs and rules, such as: Revised Total Coliform Rule, PFAS, Lead and Copper Rule, coal combustion residuals
- Emergency Preparedness Plan reviews (Senate Bill 3) and Winter Storm Uri-related changes
- Increasing response for man-made and natural disasters, including hurricanes, fires, and drinking water emergencies

DETAILS:

Currently Authorized FTEs

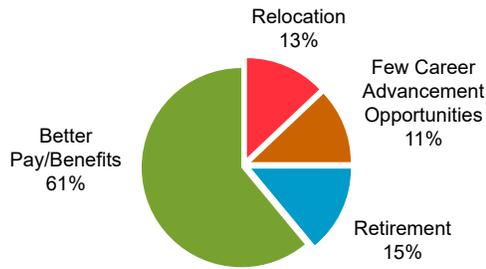
FY23 = 2821.3; **FY22** = 2811.8; **FY02** = 2962.50 (does not include TERP-funded FTEs = 158)
 TCEQ's FTEs have decreased overall for the last 20 years.

Reasons Staff Leave

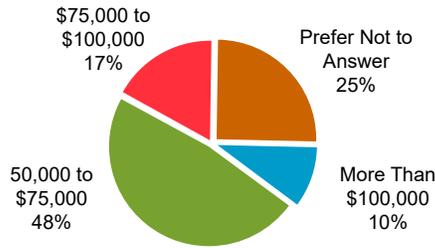
In response to the SAO Exit Survey, **61% of our employees report leaving TCEQ for better pay/benefits with 65% reporting that they will earn substantially more** than at TCEQ. For example: Austin-area averages \$1,635/week vs. TCEQ at \$1,215/week.

Despite leaving, **81% of TCEQ employees say they would want to return to TCEQ** (See next page).

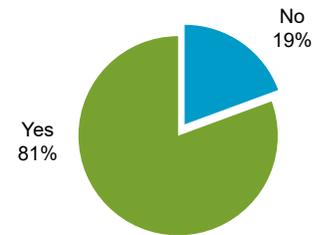
Reason for Leaving



Future Earnings Elsewhere



Want to Return



TURNOVER RATES

TCEQ's turnover escalated to 19% in FY22 with the highest jumps in our core mission classifications, including Natural Resources Specialist (22%), Engineering Specialist (25%), Attorney (28%) and Geoscientist (15%). **Turnover in our largest regional offices, Houston and Dallas, reached 52% and 30% in FY22; and overall, the regions are staffed at 89%.**

42% of TCEQ staff have fewer than 5 years of service.

FY	FTEs	Turnover Rate	New Hires	Separations
2022	2811.8	19%	494	495
2021	2829.3	12.87%	215	331
2020	2829.3	10.90%	388	297
2019	2794.8	13.90%	348	376
2011	3001.3	10.50%	84	238
2002	2962.50	10.8%	353	323

SALARY LAG

TCEQ's salaries lag our sister state agencies significantly (ex. in FY22 Electronics Technicians [ET] who maintain monitoring equipment, TCEQ ET III - \$42,244/yr; Railroad Commission – ET III \$61,091/yr **representing \$18,847 gap**). **79% of staff salaries remain below midpoint.**

WORKFORCE POLICY

In March 2022, TCEQ implemented our new policy that integrates remote work opportunities. 86% of staff are eligible for at least some remote work; of those, 12% are working 4 or 5 days remotely.

SEPARATIONS AND RETIREMENTS

In FY22, 495 employees separated from the agency.

Voluntary resignations escalated to 78.25% (up from 56% in FY21), mostly by staff with less than 4 years tenure (60.5%). Staff with 5 to 14 years of tenure made up another 16% of voluntary separations.

In FY22, only 19% of separations were due to retirement (a decline from 28% in FY21). However, **within the next five years, over 36% of TCEQ's workforce will be eligible to retire.**

STEPS ALREADY TAKEN:

Annual Salary Enhancements

\$3.45M budgeted allocation per FY

Targeted Salary Increases

FY22/23 - \$5.9M LAR for Natural Resources Specialist (NRS), Engineer, Engineering Specialist and Attorney (87th Leg.)

FY22 – minimum salary increases for key business operations support (Contract Specialist, Purchaser, Human Resources and Training) (TCEQ initiated)

FY20 – 10% for NRS II – IV in TCEQ's Houston, Beaumont, and Midland regional offices only; 5% for Attorney I-III (TCEQ initiated)

FY18 –5% for NRS II; 10% for Engineer II-III; 5% for Engineer IV-V; \$30K minimum salary for A pay group classifications (TCEQ initiated)

FY16/17 - \$2M LAR for Engineer and Engineering Specialist (84th Leg.)

One-time Bonus Programs

Retention Bonuses:

Natural Resources Specialist II (\$2,500) and III (\$3,000)

Engineering Specialist I-III (\$3,000)

Health Physicist (\$5,000)

Contract Specialist (\$3,000)